

# Highlights of the 2014 Farm Bill For *Specialty Crops*

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**MISSISSIPPI STATE**  
UNIVERSITY  
EXTENSION SERVICE

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## Overview

- Victory for Specialty Crops
- Small share of federal spending, but considerably expanded
  - Funding levels increased by 55% over 2008 Farm Bill to about \$3 Billion (United Fresh)
- Funding highlights through FY 2018
  - \$1 Billion to purchase specialty crops for schools and service institutions
  - \$400 Million Specialty Crop Research Initiative
  - \$375 Million Specialty Crop Block Grants
  - \$325 Million Consolidated Clean Plant Network
  - Up to \$200 Million Farmers' Market and Local Food Promotion Program
  - \$167.5 Million Organic Agriculture
  - Up to \$140 Million Food Insecurity Nutrition Incentive
  - \$45 Million Technical Assistance for Specialty Crops



## Overview

- Title I Commodities
- Title II Conservation
- Title III Trade
- Title IV Nutrition
- Title V Credit
- Title VI Rural Development
- Title VII Research, Extension, and Related Matters
- Title X Horticulture
- Title XI Crop Insurance

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## What's New?

### 1. Use of SNAP Benefits for Purchase of Community-Supported Agriculture (CSA) Share

*Title IV-Nutrition, Subtitle A, Sec. 4012*

- **Retail food stores** that can accept SNAP benefits now include ag. producers who market *Directly to Consumers (D2C)*: Farmers' markets, roadside stands, and CSAs



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## 2. Technology Modernization for Retail Food Stores

*Title IV-Nutrition, Subtitle A, Sec. 4011*

- **Pilot projects** to test the feasibility of Retail Food Stores (RFS) accepting SNAP benefits through:
  - Mobile transactions
  - On-line transactions
  
- Pilots should be completed by July 1<sup>st</sup>, 2016
  
- If successful, both will be implemented nationwide by January 1<sup>st</sup>, 2017

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## 3. Pilot Project for Buying Unprocessed F&V

*Title IV-Nutrition, Subtitle C, Sec. 4202*

- **Objective:** To help states buy unprocessed fruits and vegetables (F&V) in a flexible way
  
- **Flexibility** - States can choose multiple suppliers and products, and buy local if desired
  
- **8 states** participating in the National School Lunch Program
  
- **Eligibility** based on:
  1. Quantity and variety of local F&V in the states on a per-capita basis
  2. Demonstrated commitment to Farm-to-School efforts
  3. Quantity of local educational agencies

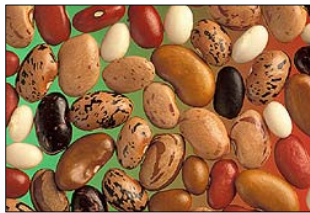
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#### 4. Pulse Crop Products

*Title IV-Nutrition, Subtitle C, Sec. 4213*

- The Secretary will buy **pulse products** (Dry beans, dry peas, lentils, and chickpeas) for use in the National School Lunch and National School Breakfast programs
- Child acceptance and product suitability will be evaluated in 2016



#### 5. Pilot Project for Canned, Frozen, or Dried F&V

*Title IV-Nutrition, Subtitle C, Sec. 4214*

- Schools currently participating in the **Fresh F&V Program (FFVP)** will be selected to participate in a pilot project to evaluate the impacts of offering **canned, frozen, or dried F&V** on F&V consumption, school participation, among others
- USDA-Food and Nutrition Service
- Not less than 5 states
- Schools not in the pilot project must offer *fresh* F&V

## 6. Food Insecurity Nutrition Incentive

*Title IV-Nutrition, Subtitle C, Sec. 4208*

- Cash incentives to SNAP eligible households for the purchase of fresh F&V at Farmers' Markets
- Mandatory funding (\$135 Million)
  - \$35 Million for FY 2014 and 2015
  - \$20 Million for FY 2016 and 2017
  - \$25 Million for FY 2018
- \$5 Million authorized to be appropriated

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## 7. Valuation of Local or Regional Crops

*Title V-Credit, Subtitle B, Sec. 5105*

- Operating loans - To facilitate lending to local and regional food producers, the Secretary will develop:
  1. Ways to determine the **value** of crops used in locally or regionally produced agricultural food products (i.e. unit prices)
  2. Ways for producers to establish a **price history** for these crops

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## 8. Local Food Production and Program Evaluation

*Title X-Horticulture, Sec. 10016*

- The Secretary will conduct a study on **locally or regionally** produced ag. products
  1. To **collect** data on:
    - Production and marketing practices
    - Direct and indirect costs for LFS of complying with federal regulations
  2. To **facilitate** data sharing
  3. To **check**
    - Effectiveness of programs that support LFS
    - Barriers to market access due to regulation
  4. To **evaluate** the contribution of LFS to food security and food deserts

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## Organic Agriculture

### 9. Reauthorization of the Organic Agriculture Research and Extension Initiative (OREI)

*Title VII-Research, Extension, and Related Matters, Subtitle B, Sec. 7211*

- Grants to support research and extension activities regarding organically grown and processed agricultural commodities
- Mandatory funding increased to \$20 M for each of FY 2014 through 2018
- USDA-National Institute of Food and Agriculture

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## 10. Organic Agriculture

*Title X-Horticulture, Sec. 10004*

- This bill expands the definition of “agricultural commodity” to include certified organics
- Mandates a technology upgrade for the database and technology systems of the **National Organic Program**
  - Added funding of \$5 Million for FY 2014
- All certified organic producers, including those that also have conventional farming operations, may be exempted from commodity promotion orders on their organic production. Permission is established for an **Organic Commodity Promotion Order**

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## 10. Organic Agriculture

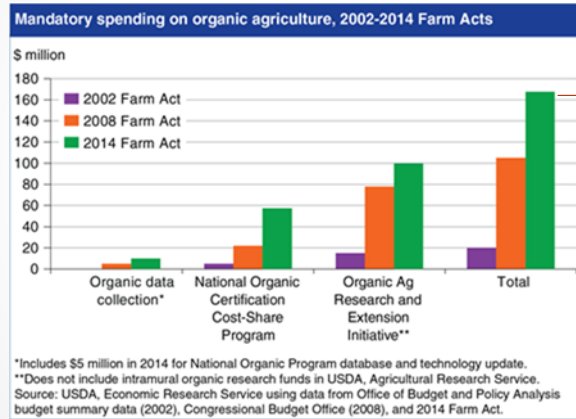
*Title X-Horticulture, Sec. 10004*

- Reauthorization of **Organic Production and Market Data Initiatives (ODI)**
  - Multi-agency initiative (NASS, ERS, AMS)
  - Mandatory funding remains at \$5 Million total
- Reauthorization of the **National Organic Certification Cost-Share Program (NOCCSP)**
  - USDA-Agricultural Marketing Service
  - Mandatory funding increased to \$11.5 M for each of FY 2014 through 2018

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## 10. Organic Agriculture



\$167.5 Million in mandatory funding over the lifespan of the 2014 Farm Act

## 11. Crop Insurance for Organic Crops

*Title XI-Crop Insurance, Sec. 11023*

- USDA's Risk Management Agency (RMA) is required to expand **price elections** for certified producers of organic crops insuring crops by 2015
- Efforts in developing and improving **federal crop insurance for organic crops** relevant to organic producers:
  1. **Number and varieties** of organic crops insured
  2. Progress of implementing **price elections**



## 12. Investigations and Enforcement of the



## Organic Foods Production Act of 1990

*Title X-Horticulture, Sec. 10005*

- This bill grants specific powers to the Secretary to investigate products that are being fraudulently marketed as organic



## What has been re-established?



## 13. Tree Assistance Program (TAP)

*Title I-Commodities, Subtitle E, Sec. 1501*

- USDA-Farm Service Agency
- Provides qualifying orchardists and nursery tree growers with certain financial assistance to replant or re-habilitate crops after losses caused by natural disasters
- To cover losses starting in October 1, 2011

## 14. Reauthorization of the Technical



### Assistance for Specialty Crops (TASC) Program

*Title III-Trade, Subtitle C, Sec. 3205*

- Export assistance program that deals with sanitary and technical barriers to the export of U.S. specialty crops
- Market Development Programs by the USDA-Foreign Agricultural Service (FAS)
- Funding increased: \$9 Million for each of FY through 2018

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## 15. Reauthorization of the Market Access Program (MAP)



*Title III-Trade, Subtitle B, Sec. 3102*

- Designed to help U.S. agricultural trade associations, cooperatives, trade groups, and small businesses build export markets by providing technical assistance and sharing the costs of overseas marketing
- USDA-Foreign Agricultural Service (FAS)

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## 16. Reauthorization of the



## Healthy Food Financing Initiative (HFFI)

*Title IV-Nutrition, Subtitle C, Sec. 4206*

- Targets **food deserts**
- Loans, grants and technical assistance to eligible fresh, healthy RFS to overcome the higher costs and initial barriers to entry in these underserved areas

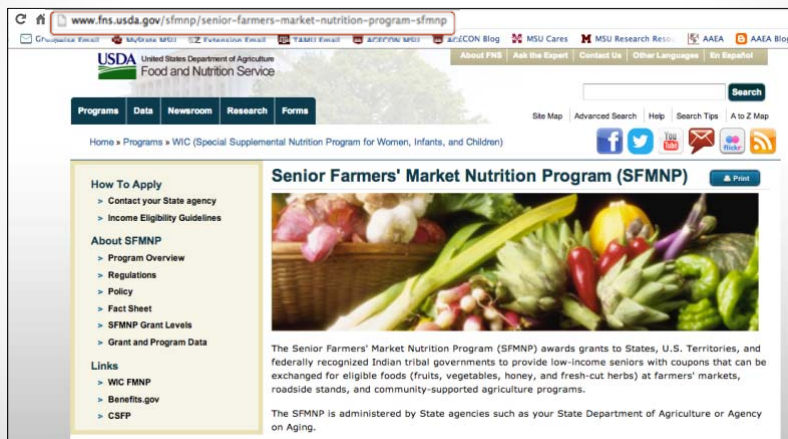


## 17. Reauthorization of the



## Seniors Farmers' Market Nutrition Program (SFMNP)

*Title IV-Nutrition, Subtitle C, Sec. 4203*



## 18. Purchase of Fresh Fruits and Vegetables



### (F&V) For Distribution to Schools and Service Institutions

*Title IV-Nutrition, Subtitle C, Sec. 4201*

- The Secretary will continue to purchase F&V and other specialty crops for distribution to schools and service institutions
  - \$200 Million each FY to purchase specialty crops
  - Not less than \$50M for the purchase of *fresh* F&V



## 19. Locally or Regionally Produced



### Agricultural Food Products

*Title VI-Rural Development, Subtitle A, Sec. 6014*

- Reauthorizes loan and loan guarantee authority for local and regional food enterprises through the **Business and Industry Guaranteed Loans (B&I) program**
- USDA-Rural Development
- Areas <50 Thousand people

## 20. Specialty Crop Committee

*Title VII-Research, Extension, and Related Matters, Subtitle A, Sec. 7103*

- 11 members
- Establishment of **Citrus Disease Subcommittee**
  - Domestic producers from TX, FL, CA, and AZ



## 21. Reauthorization of the

### Specialty Crop Research Initiative (SCRI)

*Title VII-Research, Extension, and Related Matters, Subtitle C, Sec. 7306*

- **Mandatory funding increased** to \$80 Million for FY 2014 and thereafter
- **Emergency Citrus Disease Research and Extension Grant Program**, which will be funded from around 31% of the mandatory funds plus \$25 Million authorized
- New 100% **matching funds requirement** after October 1, 2014. Research agencies within the Dept. of Ag., and capacity infrastructure programs including land-grant universities exempt. Yearly waivers may be granted.

## 22. Reauthorization of and changes to

### Specialty Crop Block Grants

*Title X-Horticulture, Sec. 10010*

- Mandatory funding increased to \$72.5 Million for each of FY 2014 through 2017 and to \$85 Million for FY 2018 and thereafter
- 1. Allowance of funding for multistate projects related to food safety, plant pests and disease, research, and commodity-specific projects
- 2. Amount of grants to a State based on acreage of specialty crop production in addition to the average value of production
- 3. Limits on yearly administrative expenses

## 23. Reauthorization of



## Specialty Crops Market News Allocation

*Title X-Horticulture, Sec. 10001*



## 24. Reauthorization of the Farmers' Market



## and Local Food Promotion Program (FMPP)

*Title X-Horticulture, Sec. 10003*

- Grants to help improve and expand domestic farmers' markets, roadside stands, CSAs, agri-tourism, and other D2C opportunities (Max. \$100K)
- USDA-Agricultural Marketing Service
- Mandatory funding introduced: \$30 Million for each of FY 2014 through 2018
- Funds not to be used in construction or infrastructure

## 24. Reauthorization of the Farmers' Market



## and Local Food Promotion Program (FMPP)

*Title X-Horticulture, Sec. 10003*

- **Funds:** 50% for projects that deal with domestic's farmers markets, roadside stands, CSA, agri-tourism, and other D2C opportunities, while 50% for local and regional food business enterprises (including those that are not D2C)
- New **matching funds requirement** in cash or in-kind contributions if the project deals with local and regional food business enterprises (25% of the total cost of the project)
- Limit of 4% on administrative expenses
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## 25. Reauthorization of Food Safety Education Initiatives



*Title X-Horticulture, Sec. 10006*



## 26. Clean Plant Network

*Title X-Horticulture, Sec. 10007*

- Consolidation of the National Clean Plant Network and the Pest and Disease Management and Disaster Prevention Program into a single program
- Increased funding for combined programs at \$62.5 Million for each of FY 2014 through 2017 and \$75 Million for FY 2018 and thereafter

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## Other crop and commodity-specific provisions

### **Check-off program for Christmas trees**

*Title X-Horticulture, Sec. 10014*

### **Importation of Seed**

*Title X-Horticulture, Sec. 10008*

### **Bulk Shipments of Apples to Canada**

*Title X-Horticulture, Sec. 10009*

### **Regulation of Sulfuryl Fluoride**

*Title X-Horticulture, Sec. 10015*

### **Report on Honey**

*Title X-Horticulture, Sec. 10012*

### **Labor Law Report**

*Title X-Horticulture, Sec. 10011*

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## What's Out?

### **Repeal of Grant Program to Improve Movement of Specialty Crops to Markets**

*Title X-Horticulture, Sec. 10002*

- Created to address transport deficiencies and cost effectiveness of movement of specialty crops to markets

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## **In Summary...**

- Locally or regionally produced and marketed agricultural products (Farm-to-table movement)
- Direct-to-consumer marketing
- School feeding programs
- Organic agriculture
- Specialty crops research and extension



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## Questions?

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